Commonwealth of Massachusetts
Information Technology Division

Instructions for the
FY 2009 – FY 2013
IT Capital Planning Cycle

April 17, 2008

Commonwealth of Massachusetts
Information Technology Division
Instructions for the FY 2009 – FY 2013
IT Capital Planning Cycle

The Information Technology Division, authorized by the Executive Office for Administration Finance (ANF), is initiating the Information Technology Capital Planning Cycle for FY 2009 – FY 2013. This document presents instructions for agencies that wish to request capital funding for projects.

Agencies must complete an FY 2009 Investment Brief for all requests for IT Bond funds from FY'09 through FY'13 including:

1) proposed new projects; and
2) previously approved projects that are currently receiving capital funds; and
3) projects that were previously submitted but not approved for capital funding.

The Investment Brief document has been updated for FY09. Please ensure that you submit the version identified as **"Commonwealth IT Investment Brief Fiscal Year 2009".** Agencies may obtain blank Investment Brief forms in two ways:

1) Download from the ITD website at the IT Investment Briefs page or
2) Request a brief from the assigned ITD Customer Outreach Manager (COM). A list of COM assignments can be found on the ITD website at the Customer Outreach page.

Guidance for Project Definition, Scope and Purpose

Submitted projects must have well defined goals, identify specific, measurable outcomes and define specific benefits to be realized upon completion of work. In preparing investment briefs, agencies should determine how well projects address one or more of the Business and Technology Principles listed below. Projects that align well with these principles are likely to be the best candidates for capital funding. It is thus critical that the project's investment brief clearly presents and demonstrates how the project addresses these principles.

A separate sheet that lists the Business and Technology principles below has been provided with the brief. Please fill out a sheet for each project and clearly and succinctly describe how the project will meet these principles. In addition, please ensure that responses to the questions in the brief also articulate how the project will meet these principles where appropriate.

Business Principles

1. Ensure public health and safety
2. Provide infrastructure needed to support responsible and sustainable economic growth
3. Facilitate the effective and efficient delivery of desired government services
4. For Executive Branch agencies, compatible with one or more of the Administration's objectives.
5. Maximize the value and life of our capital assets by adequately maintaining them.
6. Maximize the extent to which other sources of funding are leveraged to increase our capital investments.

Technology Principles

1. Reduce total cost of ownership of all systems by factoring ongoing flexibility and low-cost maintainability into designs and approaches
2. Favor enterprise approaches over agency/application-centric approaches where possible to reduce costs and promote integration and interoperability, via
   - Enterprise-wide infrastructure
   - Shared services
   - Reusable components
   - Shared common data
   - Consolidated operations
3. Follow open standards where appropriate to eliminate dependency on specialized skill sets and proprietary products and services
4. Protect information privacy and security by enforcing security policies and standards
5. Make single face of government and service to constituents overarching design objectives in every IT initiative for the benefit of Massachusetts citizens and businesses
6. Build clear accountability and integrity into all IT-related management processes to ensure
   - Disciplined project management and execution
   - Open and competitive procurement practices

Project Evaluation and Funding Approval Criteria

ITD will review, evaluate and prioritize all submitted investment briefs and make recommendations to ANF on which projects should be approved for capital funding. ITD will emphasize the criteria below to determine which projects it will recommend for capital funding:

- investing in enterprise mission-critical systems
- investing technology solutions to meet common needs for multiple agencies
- investing in shared technology infrastructure
- ensuring the Commonwealth receives best value for its IT capital investments through effective governance, project management and oversight

Unfortunately, like all other state funding, bond funds will continue to be constrained, even upon passage of Bond IV. Therefore, it is likely that we will be unable to fund many worthy and important projects. ITD will continue to make every effort to support the most critical projects as quickly as possible if and when funds become available over this capital planning cycle.

Secretariat Prioritization

Secretariats must prioritize capital requests from agencies under their purview and provide ITD with a single consolidated priority ranked list of all investment briefs submitted by their agencies.

Operating Costs

Please note that, given extremely tight operating budgets for the foreseeable future, ANF will be closely scrutinizing estimates of on-going operating costs once the systems delivered by projects have been completed and gone live. Therefore, agencies should ensure that their response to #13 "Operating Cost of Initiative" is as accurate and complete as possible.

Key Changes from previous year(s):

The FY'09 Investment Brief is based on the same form as that used in FY'08. Instructions for several of the questions have been changed to clarify the type of information ITD is requesting to facilitate our ability to understand, assess and prioritize the many funding requests we expect to receive for many worthy projects.

Investment Briefs will be shared with ANF so please ensure that your agency retains a copy of the submitted investment brief after sign-off.

Key Dates for the FY'09 Investment Brief Submissions

April 11, 2008 – ANF released FY'09 – FY'13 Capital Planning Instructions
April 17, 2008 – ITD releases Investment Briefs to agencies.
April 17 – May 8, 2008 – Agencies submit investment briefs to ITD and Secretariats (where applicable)
May 8, 2008 – All investment briefs and Secretariat prioritizations due to ITD
May 13, 2008 – Capital Budget priorities due at ANF
June 30. 2008 – ANF completes FY'09 – FY'13 Capital Plan
Summer 2008 (est.) – ITD releases IT Bond funds to approved projects.

Please note that ANF has informed us we need to adhere to this schedule. We will therefore be unable to grant any time extensions past May 9th for agencies to submit briefs to ITD and Secretariats to prioritize projects for their agencies. ITD has made every effort to give agencies as much of the available time as possible to write, prioritize and submit their briefs.

Instructions for Completing the Investment Brief Form

The Investment Brief is a *Microsoft Word 2003* form that utilizes Visual Basic. When opening the form, the user should always select "***enable macros***" at the prompt.

For security settings, In *MS Word*, go to *"Tools*," select *"Macro*," select *"Security*," set to *"Medium*" or *"Low."* Fields requiring data entry/update are shaded, and are best navigated through by use of the tab key, or up and down arrows. When filling out the tables, please "Tab" and make sure the front-page section (General Information) 'auto fills' with the totals from the fiscal tables.

Submitting an Investment Brief

Upon completion, an electronic version of the Investment Brief should be emailed by your CIO to your assigned ITD COM. Any questions regarding the level of detail required for each project should be discussed with your COM before the Investment brief is submitted.

Investment Briefs will be shared with Administration and Finance (ANF), so please ensure that your CFO and SIO (if applicable) retain a copy of the submitted investment brief after submittal for reference.

Section I. Project Summary

This section captures basic identifying information regarding the project, Secretariat and Department. When completing this section:

1. General Information

Project No./Project Information As of/Revision Number/Appropriation Number/ITD Customer Outreach Manager (COM) will be completed by ITD.

Project Type

Select the option that best describes the type of the project.

Previously Approved projects are projects, programs, and multi-year commitments that were approved by ANF in prior fiscal years and for which funding will be needed and used in FY09 and/or beyond. Please note there is no guarantee that "Previously Approved" projects and/or their current funding levels will be approved for the FY09-13 capital budget.

New Projects -- New requests are projects or programs not currently in the approved capital plan. Agencies must make a strong case for "New" requests

Current Fiscal Year IT Bond $ Requested by this Investment Brief: This field will pre-populate based on data entered into section 12.

Secretariat: If the agency reports up to a Secretariat, enter full name of Secretariat, e.g., Executive Office of Administration and Finance.

Department: Enter full name of Department, e.g., Information Technology Division.

Department Code: Enter the agency's three-character MMARS code.

Project Title: Enter the project title or name.

Project Sponsor: The name of the non-technical manager empowered to make all decisions necessary to implement the project.

Contact Name and Contact Email: The name and email address of the project manager or other individual responsible for managing project activities.

SIO Name/Telephone #. The name and telephone number of the agency's Secretariat's Chief Information Officer or Information Technology Director, if the agency reports up to a Secretariat.

CIO Name/Telephone #. The name and telephone number of the agency's Chief Information Officer or Information Technology Director.

CFO Name/Telephone #. The name and telephone of number of the agency's Chief Financial Officer or highest-ranking fiscal officer. The CFO will receive all ISA's from ITD if the project is approved for IT Bond funds.

Project Start Date/End Date. The estimated project start and end date.

2. Project Scope and definition *(2000 Character Limit)*

Describe the project, its goals and the specific functionality that is planned. The summary should be brief and high-level in nature, and should only include enough detail to enable someone unfamiliar with the project to understand its purpose and intended outcome. Please include information on agency background and history only if it is directly relevant to the project.

Provide a high-level summary of the project that:

- includes a clear description of the history and development of the project;
- includes a clear description of the scope of the project including what the project is intended to do and how it will be done; and
- presents the approach the agency proposes to use to manage the project to a successful conclusion.

Section II. Business Plan

3. Business Needs and expected outcome ***(2000 Character Limit)***

Provide the justification for the project. The justification should include the specific business reasons why this project should be funded. Details regarding statutory or regulatory requirements and customer groups/service delivery should be stated in sections 5 and 6 and not included in this paragraph.

This section must, at a minimum:

- present an explicit business case for this project including the expected outcome and the benefits of doing it; and
- present what this project will enable the business organization to do that it can not do today; and
- present how the project will improve information sharing and delivery and/or make the agency more efficient; and
- document any negative impacts of not doing the project including any loss of Federal or other funds that the agency or other governmental units could face if the project isn't done; and
- document the key criteria you will use to assess the project's success in meeting your agency's business needs.

4. Measurement of estimated benefits and values

This section quantifies the expected outcomes in terms of efficiency gains, customer service improvements, cost savings and/or revenue enhancements that you described on the previous page. Complete the table below to reflect your estimated revenue stream improvements, savings associated with efficiency gains and avoided costs. The agency must provide estimated benefits for at least the first three years after the project goes live. Any years beyond FY'13 should be provided using the attached continuation spreadsheet and sent to your COM.

Estimated benefits, including new revenue, estimated efficiency gains and avoided costs will offset the project costs. All costs, including one-time development and ongoing/operational are entered in the financial cost assessment section, question 11, of this form.

Revenue

Indicate new revenue amounts or increased revenue amounts that can be associated with the project. Examples of new projected revenues include:

1) Fees paid by businesses for value-added services:
2) Additional revenue due to "convenience purchases" of Commonwealth government services, or
3) Additional revenue collected by using more convenient payment methods such as credit cards.

Efficiency Gains

Indicate amounts associated with efficiency gains that can be tied to the project. Examples include:

1) Administrative, photocopying and mailing costs reduced for documents available online instead of by mail:
2) Documents sent out correctly the first time due to improved data capture online:
3) Managed growth of staffing, efficiencies or productivity gains result in a net lower required growth of personnel.

Avoided Costs

Indicate amounts associated with avoided costs that can be tied to the project. Examples include:

1) Legacy application with existing ongoing costs that were significantly greater than those resulting from the proposed project:
2) Avoided fees and expenses related to the rework needed to correct errors or the temporary labor required to meet seasonal peaks in workload

The document will calculate a *"Net Benefits*"* by subtracting the Total Cost amount from the Total Estimated Benefits amount.

5. Statutory or Regulatory Mandates

Cite and describe any Federal or Commonwealth statutory or regulatory mandates or requirements that this project is intended to address. Describe the specific impacts if the agency and/or Commonwealth are non-compliant with these statutes or regulations. Describe the specific financial, policy, programmatic or other ramifications that could result if the agency and Commonwealth are non-compliant with the cited statutes and/or regulations.

6. Customer Group(s) serviced by the project

Identify the customer groups that will be served if this project is implemented. Describe the benefits to each group and identify how the benefits will be measured. Describe how the project improves the quality of service, the efficiency of the service and/or the ability to deliver services to customers. Any financial benefits should be identified in *Section 4 – Measurement of estimated benefits and value*.

7. Potential risks, barriers or constraints that may impact the success of this project

Identify and describe any known or anticipated risks, barriers or constraints that could affect the successful development and implementation of this project. These may include business, strategic, technological, financial regulatory/statutory, or other barriers. Describe how the project intends to manage the impacts of these risks, barriers or constraints.

8. Collaboration with other agencies

Describe your efforts to-date in investigating similar projects elsewhere in the Commonwealth that are being planned or have been completed and whether and how your project can benefit from software/hardware and/or expertise resulting from any of these projects.

Describe how you are collaborating or partnering with other agencies with similar needs to share the benefits, costs and risks of this project. Are there other agencies planning or implementing similar projects? How are you taking advantage of work that others have previously done? How are you designing and developing this project so that others may take advantage of the work you are doing? Please provide details regarding your research with other state or federal entities.

Section III. Technology Assessment

9. Technical Environment

Describe the proposed hardware, software and technical architecture of the project.

10. Hosting Location

If known, select location of where the project's computing infrastructure is expected to be located.

Section IV. Financial Assessment

11. Development and Implementation Costs

In this section, provide a breakdown of one-time development costs by the categories shown. **These costs should be the total development and implementation costs regardless of funding**

source (i.e. include all types of funding used for development and implementation (IT bonds, operations, federal funds, trusts, retained revenue, etc.)).

- Hardware costs – includes, but not limited to, servers, PCs, firewalls, routers, switches and all equipment required for network development (including data/voice line acquisition as appropriate)
- Software costs – includes, but not limited to, license, configuration and maintenance fees for all software products
- Consultants – not state employees (FTEs). This includes all consultants required for the project including independents.
- State Employees – includes all existing state employees (FTEs) working on development/acquisition activities
- Training – all training required and funded for this project before and during implementation including end user training, technical administration and support training, documentation, CBTs and change management.
- Disaster Recovery/Business Continuity – costs associated with developing/acquiring a process/system for provide for business continuity.

12. Funding Source:

Enter the one time development and implementation costs by the source of funds. FTEs should be included in each appropriate funding source as applicable. **Note: The total Project Budget amount must match the amount contained in section 11 Development and Implementation Costs.**

13. Operating Costs of Initiative

In this section indicate the anticipated recurring or “Operational” cost of the project (regardless of funding source) by the categories shown.

All projects should be reviewed by the Chief Fiscal Officer (CFO) to approve and verify that costs to maintain and operate the project will be included in your agency’s operating budget.

The agency must provide the estimated operating costs for at least the first three years after the project is scheduled to go live. If any of these years extend past FY’13, the agency must provide the operating costs for any such years using the attached continuation spreadsheet. This additional documentation should be sent to your COM.

Operational costs can include, but are not limited to: maintenance or license fees, training requirements, data/voice line recurring costs.

- Hardware costs – includes, but not limited to, server, PC, routers, switches and all equipment required for network operations (including data/voice line as appropriate) recurring costs

- Software Upgrades - includes, but not limited to configuration costs and additional software upgrade purchases.
- Software License Fees – includes, not limited to, license and maintenance fees.
- State Employees – includes all existing state employees or state employees that will be hired to maintain the project after implementation. Help desk staff should be included in this figure.
- Consultants – does not include existing state employees (FTEs)
- ITD Chargeback – Estimated Chargeback costs for services such as server support, shared services, etc.
- Training – all post implementation training required to use and administer the system delivered by this project including end user training and support training, technical support training, documentation, CBTs and change management.
- Disaster Recovery/Business Continuity Costs – costs associated with maintaining a disaster recovery/business continuity process.

Section 13 will then total the One Time Development Costs and the On-Going Costs to arrive at a Total Cost** figure.

Section V. Milestones

14. IT Bond Funding Request and Usage Form

Identify the milestones associated with the project phase for which funding is being requested. Projects should be segmented into well-defined milestones and measurable outcomes. For each milestone, include target start and end dates. NOTE: ITD understands that the deliverables and milestones may be "anticipated dates" at the time the Investment Brief is submitted. A more accurate, detailed project plan with deliverables, payment schedules will be required when/if the project is approved.